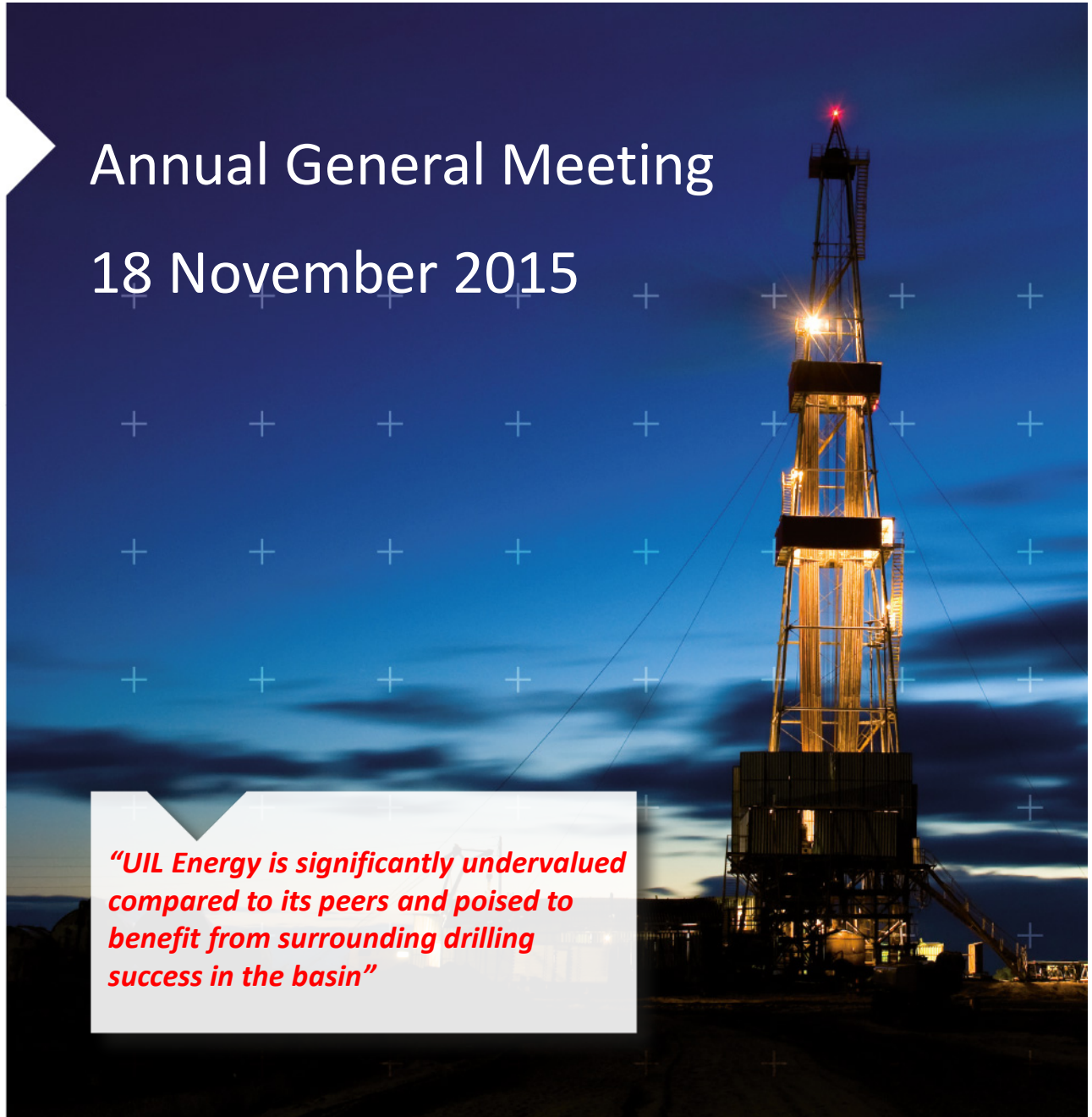




# Annual General Meeting 18 November 2015

***“UIL Energy is significantly undervalued compared to its peers and poised to benefit from surrounding drilling success in the basin”***



# Disclaimer



**This Presentation (this “Presentation”) has been prepared for use by prospective investors in considering their interest in an investment (the “Transaction”) in UIL Energy Ltd (“UIL Energy” or the “Company”). By receiving this Presentation, the recipient acknowledges and agrees as follows:**

- ⦿ Nothing in this Presentation should be construed as either an offer to sell or issue or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in UIL Energy
- ⦿ It is being delivered on a confidential basis to specified parties solely to assist them in conducting their own evaluation and investigation of the Company and does not purport to contain all of the information that may be required or relevant to a recipient’s evaluation of any Transaction. In all cases, recipients will be responsible for conducting their own investigations and analysis.
- ⦿ Neither the Company or any of its affiliates or representatives makes any representation, warranty or guaranty of any kind, express or implied, as to the accuracy, completeness or reasonableness of the information contained herein or any other written or oral communication transmitted or made available to any recipient. The Company and its affiliates and representatives expressly disclaim any and all liability based on or arising from, in whole or in part, such information, errors therein or omissions therefrom.
- ⦿ By receiving this Presentation, you agree to keep its contents confidential. Except as agreed in writing by the Company, this Presentation may not be reproduced or used without the express consent of the Company or for any purpose other than the evaluation of the Transaction by the person to whom this Presentation has been delivered.
- ⦿ In addition, this Presentation may include certain projections and forward-looking statements provided by the Company with respect to the anticipated future performance of the Company. Such projections and forward-looking statements reflect various assumptions of management concerning the future performance of the Company, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company. Accordingly, there can be no assurance that such projections or forward-looking statements will be realised. Actual results may vary from anticipated results and such variations may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections or forward-looking statements based thereon.
- ⦿ Only those representations and warranties that are made in a definitive written agreement relating to a Transaction, when and if executed, and subject to any limitations and restrictions as may be specified in such definitive agreement, shall have any legal effect. Each recipient should make an independent assessment of the merits of pursuing a Transaction and should consult its own professional advisors.
- ⦿ In furnishing this Presentation, the Company does not undertake any obligation to provide the recipient with any additional information or to update the information contained herein. This Presentation shall not be deemed an indication of the state of affairs of the Company, nor shall it constitute an indication that there has been no change in the business or affairs of the Company since the date of this Presentation or the date as of which information is given in the Presentation.

## ***Competent Person Statement***

The technical information that relates to Prospective Resources in this quarterly report has been compiled in accordance with 2007 SPE/WPC/AAPG/SPEE Petroleum Resource Management System and has been prepared by McDaniel & Associates Consultants Ltd (**McDaniel**), an independent petroleum consultancy firm registered with the Association of Professional Engineers and Geoscientists of Alberta (**APEGA**) with over 50 years of experience in the evaluation of oil and gas properties.

# Confident in Success



## Proven Track Record

- ✓ Experienced and successful management team
- ✓ Directors have significant skin in the game (~38%)

## Highly Prospective Assets

- ✓ Targeting onshore gas and liquids plays in Western Australia
- ✓ Clear focus on **Perth Basin** – close to AWE's large gas discovery
- ✓ Close proximity to pipeline infrastructure
- ✓ High equity positions and operator of all permits providing great flexibility to UIL

## Attractive Industry Outlook

- ✓ WA gas demand largest in Australia, with a sharp decline from existing offshore producers over the next decade
- ✓ WA gas prices forecast to rise from \$8/GJ-\$12/GJ


# Perth Basin – Continues to Impress


Largest onshore gas discovery in WA since 1960's by AWE.  
Latest well ~50 MMscf/d combined from two zones

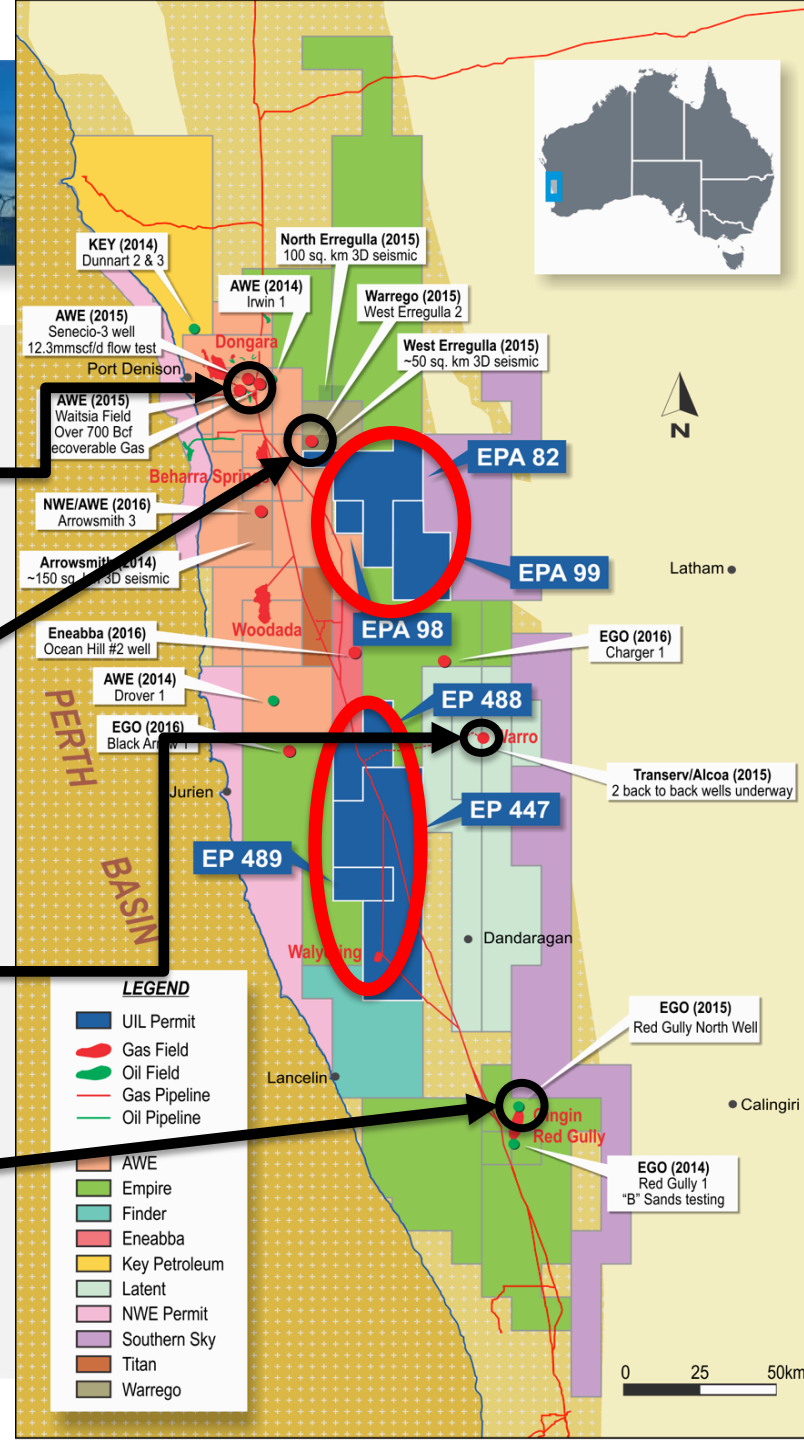
First horizontal well in Perth Basin planned for late 2016

Alcoa, largest WA gas user, back to back 2 wells drilled with stimulation to come

Empire drilling Red Gully North Well has spud

 UIL Energy's permits all 100% owned and operated (excluding EP447 which is owned 50%)

 Major drilling and testing activity by other companies



# Positive Market Dynamics



A number of key transactions and gas market dynamics have started to emerge placing increased inherent value on UIL Energy's asset position

- ✓ Quadrant Energy (Brookfield private equity and Macquarie) now in the market and looking to expand their domestic gas supply
- ✓ Browse LNG project reservation conditions allowing Woodside to meet domestic gas obligation through domestic offset arrangements i.e. Woodside can purchase domestic gas projects to meet their obligation – will drive increased focus on Perth basin
- ✓ Perth Basin activity is heating up right now:
  - AWE continues to have success in Perth Basin
  - The first horizontal well in the Basin adjacent to UIL Energy's acreage
  - Alcoa recently completed drilling of two back to back wells in Warro Project – both wells due to be stimulated early 2016
  - Empire has spud Red Gully North well a step out of the Red Gully gas field
- ✓ **UIL Energy is primed to take advantage given its substantial Perth Basin presence**

# Update on UIL Activities



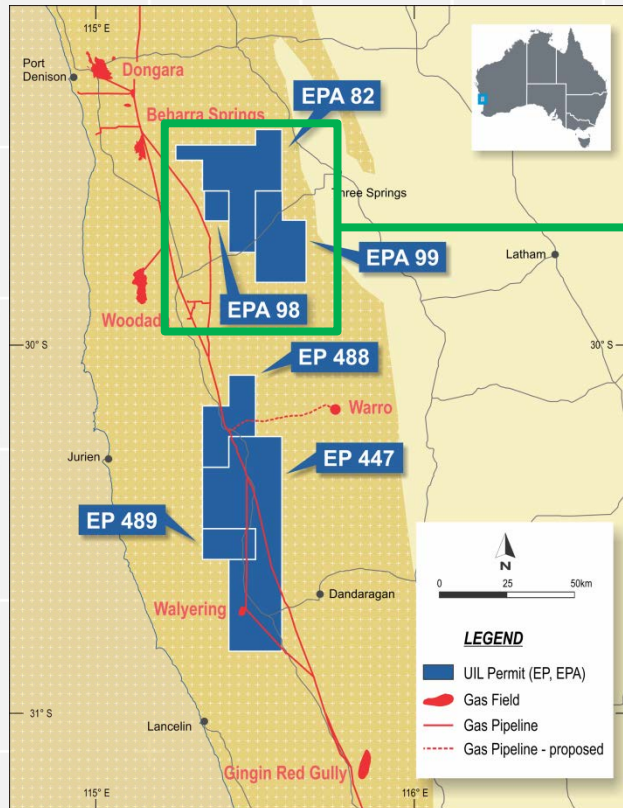
- ✓ Further technical review identified a substantial number of early stage exploration leads – mapping of new and existing 2D seismic indicating leads up to 50 km<sup>2</sup>
- ✓ Continued planning for the proposed seismic program over central Perth Basin permits to confirm drilling depths and thicknesses of targeted formations
- ✓ Progressing farm-out opportunities, however has been hindered by economic conditions
- ✓ Consistent with the focus on the Perth Basin, all Canning Basin permits now relinquished
- ✓ Cost control measures have been implemented including staff working reduced hours and reduced corporate office accommodation
- ✓ **Although challenging times, management gaining more confidence in UIL Energy's permits and inherent value**



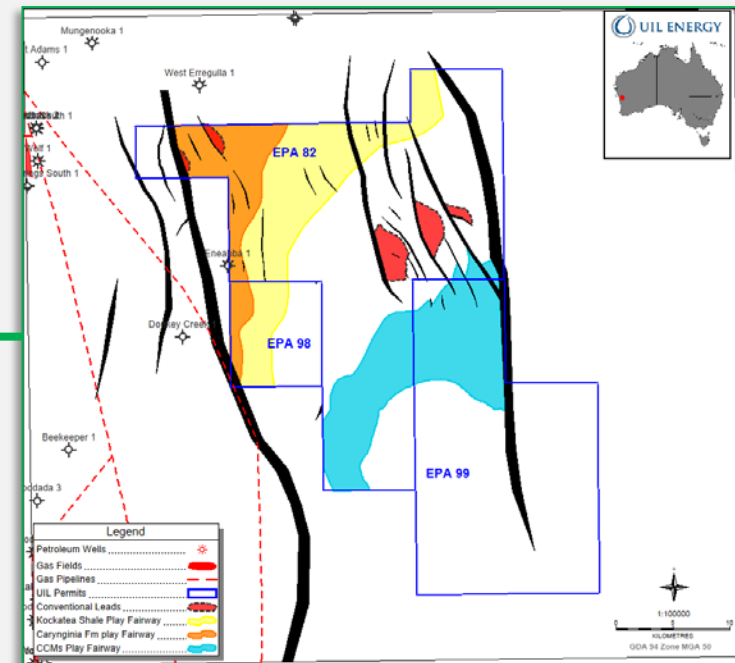
# Northern Perth Prospectivity



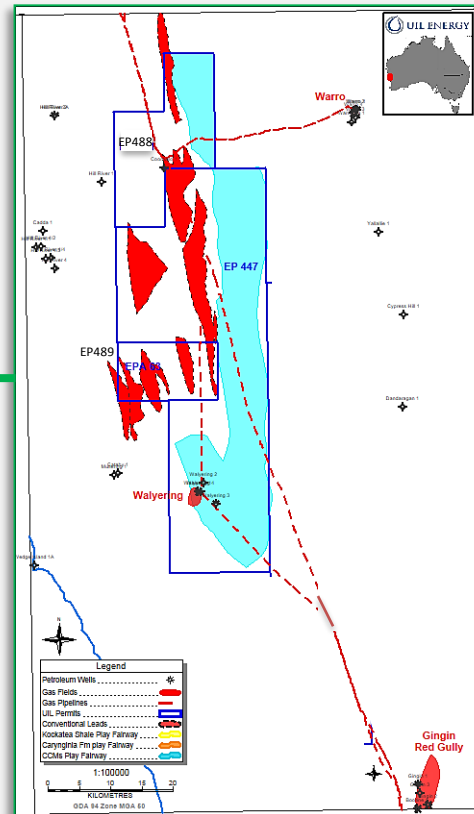
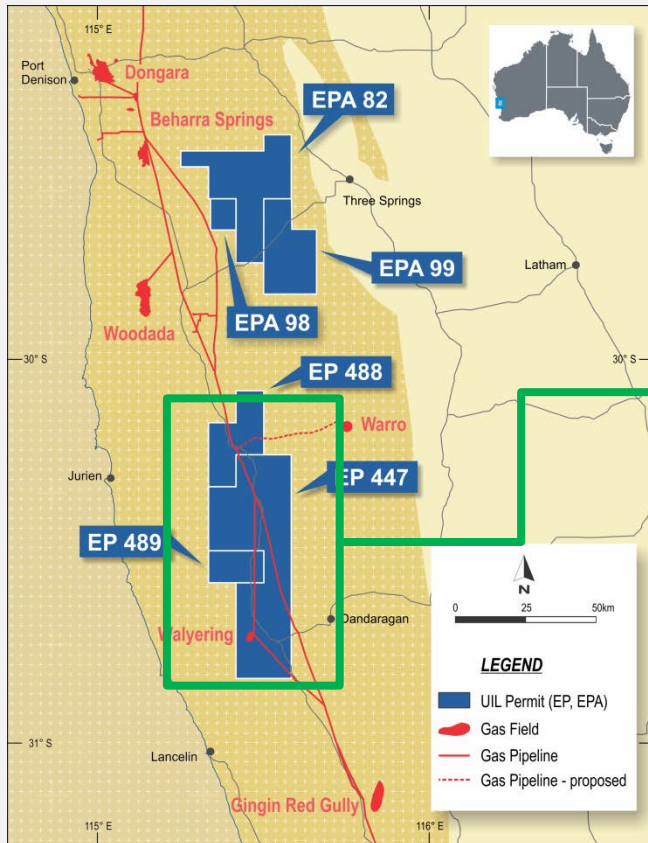
- North-western area of permits interpreted to contain similar reservoirs to those encountered by AWE's Waitsia field - formations have historically shown elevated or very high gas shows.
- Five exploration leads already identified using historic seismic. New seismic required to confirm the drilling depths and possible thickness variations of the targeted formations



## Northern Assets Five Exploration Leads



# Central Perth Prospectivity



**Central Assets**  
Nine Conventional Leads

- ✓ Permits have unrisked high case prospective resources of 1.45 Tcf over a basin centered gas play in the Cattamarra Coal measures (as at 30 June 2014)<sup>1</sup>
- ✓ Area has further nine conventional leads covering the western flank of the permits
- ✓ Further seismic scheduled in 2016 to upgrade the leads to drillable prospects

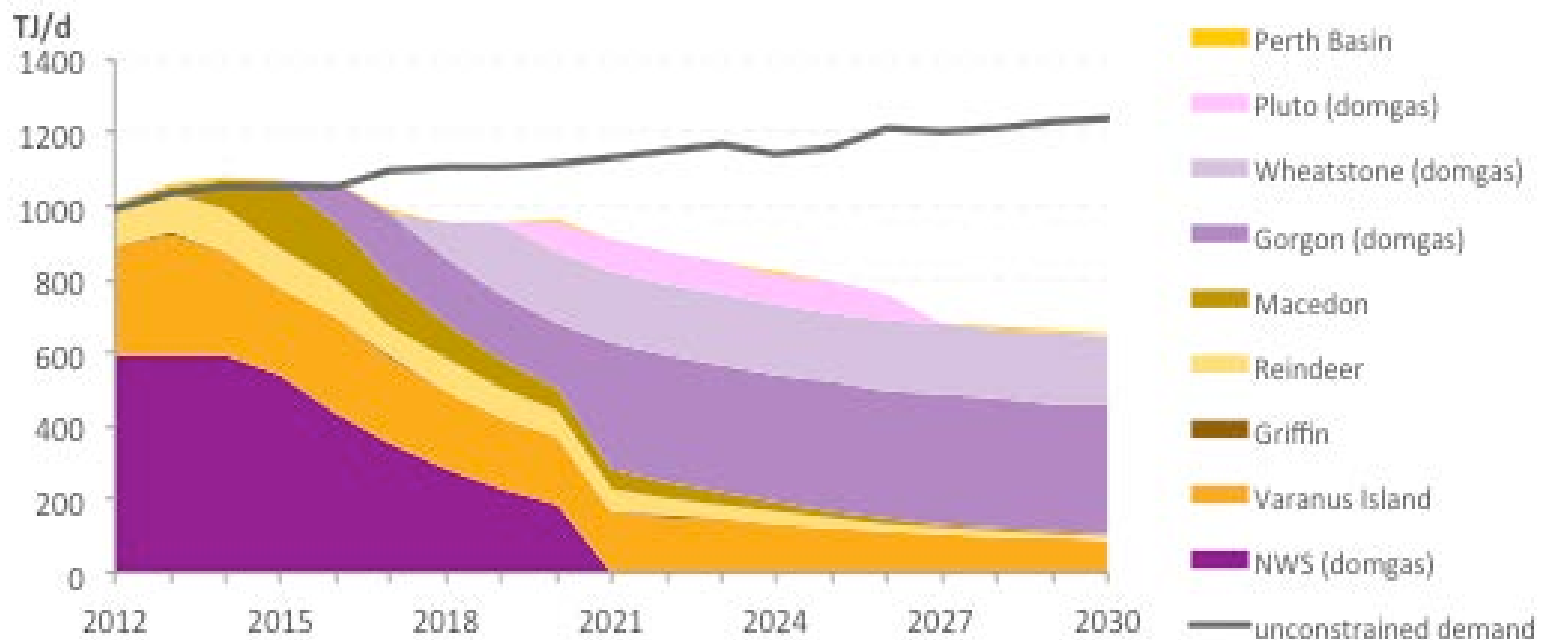
1. Best case prospective resources of 328 Bcf



# A Declining Gas Production Profile



- ✓ NWSJV (Woodside operator) is moving towards the point where its gas reserves are depleted
- ✓ In the absence of successful exploration, ACIL Allen believes NWSJV domgas supply will be exhausted by the early 2020s

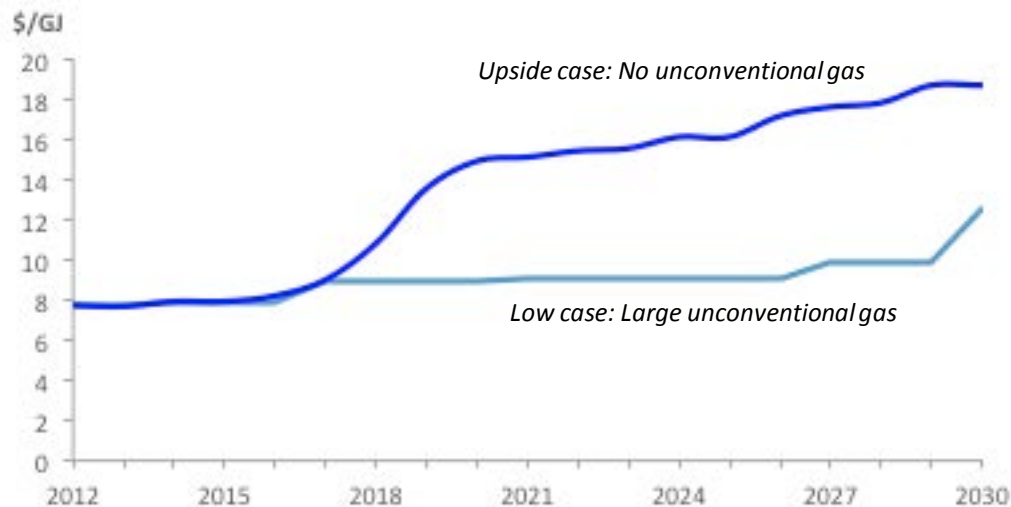


Source: ACIL Allen Consulting

# Robust Gas Price Outlook



## Modeled wholesale price – delivered at Perth (real terms)



Source: ACIL Allen Consulting

ACIL Allen's modelling of the WA gas market indicates gas prices at around A\$8/GJ to almost \$12/GJ during the next 20 years

### Impact of NWS decline

- Expected declining production from the North West Shelf domestic gas plant from around 2016 onwards

### Importance of unconventional gas

- How far prices rise, and how quickly, will critically depend on how much unconventional gas becomes available to the market and the costs of such supply

# Solid Outlook



- ✓ Board and Management team with proven track record – have skin in the game and looking to repeat success
- ✓ Solid position in the Perth Basin, a producing petroleum system with significant drilling success and further commitments by other companies
- ✓ Close to infrastructure for early commercialisation
- ✓ \$8 – 12/GJ local gas prices and severely undersupplied market
- ✓ A number of key transactions and gas market dynamics have started to emerge placing increased inherent value on UIL Energy's asset position